



MEMORANDUM

November 17, 2010

TO: Board of Mayor and Aldermen
FROM: Eric S. Stuckey, City Administrator *ES*
Russ Truell, Assistant City Administrator/CFO
SUBJECT: Designation of County Facilities Tax

Purpose

The purpose of this memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information to consider designating the proceeds received from the County Facilities Tax to the Capital Projects fund.

Background

Per State statute, the County is required to remit to cities an amount equal to thirty percent of the County Adequate Facilities Tax that is collected from projects built within the city limits. BOMA has not made a declaration as to where this revenue should be spent. Absent such a declaration, our auditors require that the monies be received in the General Fund of the city.

Because these funds are collected from developers for the purpose of constructing capital projects, it is recommended that the proceeds be placed in the Capital Projects Fund to be expended for projects that have a long useful life and address capacity issues related to population growth or geographic expansion.

Options

Designate the funds for capital projects or take no action. No action would leave the funds in the General Fund for expenditures on capital or operating expenses.

Recommendation

Staff recommends designation of the Capital Projects Fund for proceeds from this source.